

EXHIBIT 67

AVELLINO, FRANK
P&S v. Avellino et al

A435.001 DEPOSITION OF MICHAEL BIENES - 9/10/1

Michael Bienes

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA
CASE No.12-034123(07)

P&S ASSOCIATES, GENERAL PARTNERSHIP,
a Florida limited partnership, et al.,

Plaintiffs,

-vs-

MICHAEL D. SULLIVAN, et al.,

Defendants.

DEPOSITION OF MICHAEL BIENES
VIDEOTAPED

VOLUME I
PAGES 1 - 83

Thursday, September 10, 2015
10:03 a.m. - 12:08 p.m.

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Michael Bienes

Page 94	Page 96
<p>1 happened?</p> <p>2 A I vaguely recollect he was, yes.</p> <p>3 Q Okay. And you said there was a second stage,</p> <p>4 where you were elevated. Was Father Kelly with you</p> <p>5 then?</p> <p>6 A I vaguely recollect he was.</p> <p>7 Q Okay. And you said there was a third stage,</p> <p>8 when you got a star?</p> <p>9 A Con placa.</p> <p>10 Q A con placa. Was Father Kelly with you then?</p> <p>11 A I vaguely recollect he was, yes.</p> <p>12 Q And during this entire process, is it fair to</p> <p>13 say that Father Vincent Kelly is your spiritual adviser?</p> <p>14 A That would be a fair statement.</p> <p>15 Q Okay. And did anything of this involve going</p> <p>16 to the Vatican?</p> <p>17 A No.</p> <p>18 Q Have you ever been received -- have you ever</p> <p>19 been to the Vatican?</p> <p>20 A Years ago, outside as a tourist.</p> <p>21 Q Okay. You were never -- you've never been</p> <p>22 received at the Vatican as a guest, in light of your</p> <p>23 being knighted?</p> <p>24 A No.</p> <p>25 Q Okay.</p>	<p>1 MR. WOODFIELD: The HG?</p> <p>2 MR. WEBER: That one, yeah. HG, that would</p> <p>3 have been produced with our production, either E13.</p> <p>4 MR. WOODFIELD: Like Friday dump?</p> <p>5 MR. WEBER: No, not like Friday dump. On</p> <p>6 August 13th.</p> <p>7 MR. SAMUELS: We'll get back to -- we'll get</p> <p>8 back to you on it. How's that?</p> <p>9 MR. WOODFIELD: Fine.</p> <p>10 BY MR. SAMUELS:</p> <p>11 Q Okay. Have you had a chance to look at this</p> <p>12 exhibit?</p> <p>13 A Yes, sir.</p> <p>14 Q Okay. So this indicates that Father Kelly</p> <p>15 called to say there's a new group doing something, the</p> <p>16 same as Avellino & Bienes. Was Father Kelly a direct or</p> <p>17 indirect investor in Avellino & Bienes?</p> <p>18 A I believe he may have been.</p> <p>19 Q You're not sure.</p> <p>20 A I am not sure.</p> <p>21 Q Okay. So he goes on to say, "there's a new</p> <p>22 group doing something the same as A & Bienes. They work</p> <p>23 through Madoff investing people." Do you see that?</p> <p>24 A Yes.</p> <p>25 Q "And two new people are taking over what is</p>
Page 95	Page 97
<p>1 MR. SAMUELS: What number are we on?</p> <p>2 COURT REPORTER: Thirty-five.</p> <p>3 MR. SAMUELS: We'll mark this as Exhibit 35.</p> <p>4 (Plaintiffs' Exhibit No. 35 was marked for</p> <p>5 identification.)</p> <p>6 BY MR. SAMUELS:</p> <p>7 Q Okay. I want to show you what's been marked</p> <p>8 as Exhibit 35. And the first thing I want to ask you</p> <p>9 is, do you know who Mike McCarthy is?</p> <p>10 A No.</p> <p>11 Q Okay. Mr. McCarthy writes a letter saying</p> <p>12 that last night, Father Vincent Kelly called to say that</p> <p>13 there's a new group doing the same thing --</p> <p>14 MR. ETRA: The witness is reading the letter.</p> <p>15 Could you just let -- give him a minute --</p> <p>16 MR. SAMUELS: That's fine.</p> <p>17 MR. ETRA: -- to finish.</p> <p>18 MR. SAMUELS: Yeah, that's no problem.</p> <p>19 MR. ETRA: Thank you.</p> <p>20 MR. WOODFIELD: Again, is this a document</p> <p>21 that's been previously produced?</p> <p>22 MR. SAMUELS: First of all, I'm sorry I did</p> <p>23 not check during the break on the last one, like I</p> <p>24 mentioned I would. So I owe you a check on that</p> <p>25 one and this one.</p>	<p>1 called a limited partnership. Sullivan and Powell. The</p> <p>2 two are Michael Sullivan and Greg Powell." Do you see</p> <p>3 that?</p> <p>4 A Yes.</p> <p>5 Q Okay. Then it says: "Father Kelly said he is</p> <p>6 going to use Sullivan and Powell, himself." You got</p> <p>7 that?</p> <p>8 A Yes.</p> <p>9 Q In the letter? Okay.</p> <p>10 So he's talking about a new group. So your</p> <p>11 understanding that the new group, working through Madoff</p> <p>12 and investing people, that the new group, Sullivan and</p> <p>13 Powell, was in essence taking the place of the old</p> <p>14 group, Avellino & Bienes, in terms of enabling people to</p> <p>15 invest in Madoff?</p> <p>16 MR. ETRA: Objection to form.</p> <p>17 THE WITNESS: I have no such understanding.</p> <p>18 BY MR. SAMUELS:</p> <p>19 Q Okay. So we now have Father Kelly saying he's</p> <p>20 going to use Sullivan and Powell. Are you the person</p> <p>21 that, given your relationship with Father Kelly, as well</p> <p>22 as your relationship with Madoff, are you the person</p> <p>23 that recommended to Father Kelly that he invest with</p> <p>24 Michael Sullivan or one of his entities?</p> <p>25 A Not to my recollection.</p>

4 (Pages 94 to 97)
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Michael Bienes

Page 174	Page 176
1 A Relatively speaking, maybe, yes.	1 was: "When did you get into investing other people's
2 Q Okay. Okay. So let's turn now -- these pages	2 money with Bernie Madoff?"
3 do have Bates numbers on them. They're pretty small,	3 You said, "Saul, his father-in-law, had been
4 unfortunately.	4 doing it since the late '60s, I think, if not before."
5 MR. WOODFIELD: Are -- are these -- that's not	5 Is that your recollection in terms of when
6 a familiar Bates stamp.	6 Saul -- you were aware of Saul starting to invest in
7 MR. SAMUELS: AVE0 --	7 Bernie?
8 MR. WEBER: It's the Bates stamp.	8 A Yes.
9 MR. SAMUELS: -- 2917. It's early -- it's	9 Q Okay. Then the question is: "And the guy had
10 one -- if you flip the page, it's one -- to the	10 a hot hand?"
11 back of the second page.	11 And you say, "You see, what Bernie said -- he
12 MR. WOODFIELD: I don't have a back. We only	12 took a few straight accounts from Saul's people in the
13 have the even-numbered pages. We don't have the	13 beginning, and then he said to his father-in-law: "No,
14 backs.	14 I cannot handle small accounts like this. This is a
15 MR. ETRA: You don't have copies?	15 pain in the neck and a pain in the butt."
16 MR. WEBER: This one has the backs. Are you	16 "So Saul, being smart, said: "Look, open up
17 sure?	17 an account called A&A and I'll do the record keeping.
18 MR. WOODFIELD: Yeah.	18 I'll handle the checks. I'll do it all."
19 MR. SAMUELS: He's got front and backs.	19 "Yeah, he gave Frank a piece and I got a piece
20 MR. ETRA: I have a back.	20 when I became a partner. It became like a client of the
21 MR. WOODFIELD: Thanks.	21 firm. It's was only about \$2 million and-a-half, \$2.5
22 MR. SAMUELS: Okay.	22 million in the account. That was big money to me. And
23 BY MR. SAMUELS:	23 we made a little bit off the top or backs. A business
24 Q Okay. Here I'm just going to quote you and	24 in millions, a profit in pennies; it's true.
25 just ask you if this is true, okay? This is talking	25 "So he would do this, and then when he

Page 175	Page 177
1 about Saul Alpern. It says: "One of the first things	1 retired, he says: "In taking the green book down to
2 Saul Alpern said to me when I went to work for him was:	2 Florida. It'll give me work to do and I'll mail stuff
3 "Listen, yeah, listen. You got money, you can invest it	3 up to Nanette, and she'll type up the checks to send
4 with my son-in-law Bernie. You'll get 20 percent."	4 out." Do you recall that?
5 All right. You mentioned that on TV. Do you	5 A Yes, I do.
6 recall that being one of the first things that Saul	6 Q Okay. So now, we're talking about -- if you
7 Alpern said to you?	7 go down, "What was the major business at the time, in
8 A Yes, I do.	8 '70, still accounting "
9 Q Okay. I'm now on page 02919. And I'm just	9 "We were accountants. Oh, yeah."
10 going to talk to you about some things that you said and	10 "How much of your business at that time was
11 ask if it's truthful or not, okay?	11 investing with Bernie?"
12 (Discussion held off the record.)	12 "Oh, maybe ten percent, at most. I can't
13 BY MR. SAMUELS:	13 remember."
14 Q "What my partner Frank told me -- because	14 So you recall that, in 1970, about ten percent
15 Frank started with the firm in 1958. He went directly	15 of your business was investing in Bernie Madoff?"
16 from college to Alpern & Heller. He was a fixture	16 A Would that be right? I was guessing.
17 there. He was the key employee.	17 Q Okay. Approximately -- is that an
18 "He said he remembered Bernie coming in in '59	18 approximation?
19 and '60, and using part of a desk in their office on	19 A I don't know. I was guessing.
20 42nd Street, and working a phone line he had put in."	20 Q Okay.
21 Is that truthful?	21 A I could be wrong. I wanted to give him an
22 A Yeah.	22 answer.
23 Q Okay.	23 Q Okay. So on the bottom of page 23, you're
24 A Yes, it is.	24 saying: "Oh, yes. Oh, yes, it did. We knew that and
25 Q All right. I'm now on page 21. The question	25 we always said there's not a corporation in the carload.

24 (Pages 174 to 177)
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954 241 1010

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Michael Bienes

Page 178	Page 180
<p>1 It's always us as GPs.</p> <p>2 "We didn't create one of those partnerships --</p> <p>3 you know, and the trick is who's a general partner? A</p> <p>4 shell corporation is a general partner. Who owns the</p> <p>5 shell? The boys. We never did that. There was no</p> <p>6 corporation. We always stood behind it. That's how</p> <p>7 much we believed in Bernie.</p> <p>8 "So you were promising people how much?"</p> <p>9 And you said, "All depends. Big amounts,</p> <p>10 18 percent; smaller amounts, 17, 16, even as low as 15."</p> <p>11 Do you see that?</p> <p>12 A I'm on page --</p> <p>13 Q Now, I'm over on page 24.</p> <p>14 A Oh, okay. Wait a minute. Yeah, I see that.</p> <p>15 Q So you recall promising people 18 percent;</p> <p>16 smaller amounts, 17, 16, or even as low as 15?</p> <p>17 A Uh-huh. Yeah.</p> <p>18 Q Okay. And then on page 25, it says: "At the</p> <p>19 time, were you the only people that you were aware of</p> <p>20 that were feeding Bernie Madoff money?"</p> <p>21 And you said, "Yes. Yes."</p> <p>22 "In the '70s?</p> <p>23 "Yes. Yes. We thought we were the only</p> <p>24 ones." Do you see that?</p> <p>25 A Yes, sir.</p>	<p>1 comply by the rules</p> <p>2 Q Okay. So now, on page 28 at the bottom, it</p> <p>3 says: "So it was all Madoff starting in the '80s?"</p> <p>4 And you say, "83."</p> <p>5 A Yes.</p> <p>6 Q "All Madoff, because they forced us out of the</p> <p>7 accounting business. Not that I care. Don't cry for</p> <p>8 me. I hate it. I hated it."</p> <p>9 So by --</p> <p>10 MR. ETRA: I'm sorry. What page? I</p> <p>11 apologize. What page?</p> <p>12 MR. WOODFIELD: Twenty-eight.</p> <p>13 MR. SAMUELS: Twenty-eight.</p> <p>14 BY MR. SAMUELS:</p> <p>15 Q So by -- on or about by 1983, your entire</p> <p>16 business was investing in Madoff?</p> <p>17 A After we closed -- after we closed the</p> <p>18 accounting practice in '83, I believe Madoff was all</p> <p>19 that was left. We couldn't get insurance to do anything</p> <p>20 else.</p> <p>21 Q Okay. Let's now go to 31. Now, you're</p> <p>22 talking about Mr. Avellino. "Yeah, I refer to him as</p> <p>23 'my partner.' I could just as easily say 'my brother.'</p> <p>24 That's the feeling, but we're not technically partners</p> <p>25 anymore.</p>
Page 179	Page 181
<p>1 Q So, does that refresh your recollection that</p> <p>2 you were the only ones trading money into Bernie Madoff</p> <p>3 in the '70s?</p> <p>4 MR. ETRA: Objection.</p> <p>5 THE WITNESS: It doesn't have to refresh my</p> <p>6 recollection. It's what I thought.</p> <p>7 BY MR. SAMUELS:</p> <p>8 Q Okay. Very good.</p> <p>9 So let's go now to page 26. "Why did you need</p> <p>10 to know? I mean, it's money."</p> <p>11 You say, "No. No. No. It's not the money;</p> <p>12 it's people. I don't want bad people. I don't want</p> <p>13 people we don't know. I don't want people who shouldn't</p> <p>14 be giving us money."</p> <p>15 Do you see that?</p> <p>16 A Yes.</p> <p>17 Q So you were careful in terms of who you were</p> <p>18 taking money from, right?</p> <p>19 A I would say so.</p> <p>20 Q Why is that?</p> <p>21 A Obvious reasons. Are you not careful who</p> <p>22 you're taking as clients?</p> <p>23 Q I'm asking you. It's a deposition.</p> <p>24 A Because we're running a financial service, and</p> <p>25 we didn't want people who were not going to be solid and</p>	<p>1 "What's the nature of your contacts with</p> <p>2 Bernie?</p> <p>3 "Meetings at his office. He never came to</p> <p>4 ours. The only socializing we ever did with him was he</p> <p>5 invited us to one of his son's bar mitzvahs, because his</p> <p>6 father-in-law was there and we were still in practice</p> <p>7 with him, so he had to invite us."</p> <p>8 So you had meetings at Mr. Madoff's office?</p> <p>9 A When -- when we met with him.</p> <p>10 Q Do you recall other meetings that we have not</p> <p>11 yet discussed today?</p> <p>12 A I do not.</p> <p>13 Q Okay. Now, let's go to page 33. Third</p> <p>14 paragraph, you say. "From day to day, week to week, and</p> <p>15 month to month, we would see the buys and the sells and</p> <p>16 the profits and the few losses and how it was coming.</p> <p>17 So we're not flying blind because, to be more exact, we</p> <p>18 had it pinpointed every day when the transactions came</p> <p>19 in. Oh, my heavens. Of course."</p> <p>20 "And at the end of the month those</p> <p>21 transactions were on a monthly statement and you just</p> <p>22 analyzed that out and you tied it in. You balanced it</p> <p>23 out. This was regular accounting work. You reconciled</p> <p>24 the accounts. So that, we did.</p> <p>25 "Oh, my. No. You just didn't put money in</p>

25 (Pages 178 to 181)
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Michael Bienes

Page 190	Page 192
<p>1 "She says, 'Oh.'</p> <p>2 "I said, 'What are you looking to invest?</p> <p>3 "She says, 'well, I have 20 million.'</p> <p>4 "I said, 'Are you out of your mind? Are you</p> <p>5 out of your total head? If you want to go with anybody,</p> <p>6 you open very small. You open modestly. I mean, tiny.</p> <p>7 You don't buy the whole pie.' I didn't take her over</p> <p>8 there."</p> <p>9 Who was that person you were referring to?</p> <p>10 A Her last name was Acker, A-C-K-E-R.</p> <p>11 Q And do you know if Acker ever invested with</p> <p>12 Sullivan?</p> <p>13 A I have no idea.</p> <p>14 Q And did you contact Sullivan about Acker?</p> <p>15 A Absolutely not.</p> <p>16 Q And the question then goes on: "So you were</p> <p>17 telling her to be careful with Sullivan?"</p> <p>18 And you say, "Yes, very careful. But she</p> <p>19 brought it up. She came to my door and rang the bell."</p> <p>20 "Why were you telling her to be very careful</p> <p>21 with Sullivan?"</p> <p>22 A She said 20 million-dollars. She's a lunatic,</p> <p>23 okay? I don't want to get involved with her because</p> <p>24 she's offbeat, so is her crazy husband.</p> <p>25 Q And what's her husband's name?</p>	<p>1 BY MR. SAMUEL:</p> <p>2 Q Did you ever at any time become aware of</p> <p>3 whether or not Acker invested in S&P or P&S or Sullivan?</p> <p>4 A I never was.</p> <p>5 Q Okay. Now we're asking questions about -- now</p> <p>6 I want to go back to your interview about Grosvenor.</p> <p>7 A Grosvenor.</p> <p>8 Q Grosvenor. Silent S.</p> <p>9 A Correct.</p> <p>10 Q Page 52: "When we went back with Madoff in</p> <p>11 '93, went back in an account, partnership account, my</p> <p>12 partner and I and the wives, of course."</p> <p>13 "Bernie said, 'I'll let you back in, but I</p> <p>14 don't want to see your name on the books.' So we had to</p> <p>15 make up a name, Grosvenor."</p> <p>16 Did Bernie say to you that he didn't want your</p> <p>17 name on the books?</p> <p>18 A Me, personally?</p> <p>19 Q Uh-huh.</p> <p>20 A Not that I can recollect.</p> <p>21 Q How do you know that Bernie said that he'd let</p> <p>22 you in, as long as your name wasn't on his books?</p> <p>23 A I think Frank may have told me.</p> <p>24 Q Do you recall discussing that with anybody at</p> <p>25 Bernie Madoff's operation?</p>
Page 191	Page 193
<p>1 A Harry.</p> <p>2 Q Okay.</p> <p>3 A Two nuts. They really were. She mentioned</p> <p>4 Sullivan. I didn't. I just responded, and I was on my</p> <p>5 way out the door.</p> <p>6 Q And do you know if -- if there were management</p> <p>7 fees indicated on the books and records of S&P or P&S or</p> <p>8 any Sullivan entity, showing you getting a management</p> <p>9 fee for Acker?</p> <p>10 A I am not so aware.</p> <p>11 Q Okay. Can you turn to Exhibit 36, the last</p> <p>12 page. Do you see that?</p> <p>13 A Yes.</p> <p>14 Q What is -- what are both of their names,</p> <p>15 Acker?</p> <p>16 A Harry, and I knew her as A.J.</p> <p>17 Q A.J., so -- is that the A. Acker?</p> <p>18 A Could be.</p> <p>19 Q Okay. And did you ever come to learn that you</p> <p>20 were receiving commissions or management fees or monies</p> <p>21 paid to charities that you were involved with, as a</p> <p>22 result of Acker's investment in --</p> <p>23 MR. ETNA: Objection.</p> <p>24 THE WITNESS: No, absolutely not.</p> <p>25</p>	<p>1 A I discussed nothing at Bernie Madoff's</p> <p>2 operation.</p> <p>3 Q Then on page 54 -- on page 54, where it says,</p> <p>4 "How many companies are we talking about, here?</p> <p>5 It says: "Three. Grosvenor, Mayfair Ventures</p> <p>6 and Mayfair Bookkeeping -- or Mayfair Pension Plan.</p> <p>7 Those are the three accounts with Madoff."</p> <p>8 Is that correct, that those are the three</p> <p>9 accounts involved with Madoff?</p> <p>10 A That's what I knew I was involved in.</p> <p>11 Q Okay. Do you know why Madoff didn't want your</p> <p>12 names on the books?</p> <p>13 A No.</p> <p>14 Q Did you ever discuss with Frank Avellino why</p> <p>15 Madoff didn't want your names on the books?</p> <p>16 A No.</p> <p>17 Q Now, let's go to page 57. Why didn't you</p> <p>18 discuss with Mr. Avellino why you couldn't have your</p> <p>19 names on the books?</p> <p>20 A I didn't think it was important.</p> <p>21 Q Okay. Actually, on page 52, going back to 52,</p> <p>22 I'll just read it to you. It says: "So why doesn't</p> <p>23 Bernie want your name -- see your name?"</p> <p>24 And you said, 'I don't ask him. Oh, because</p> <p>25 we screwed up. We were to blame. We were to blame."</p>

28 (Pages 190 to 193)
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